

COLORADO DEPARTMENT OF HEALTH CARE POLICY AND FINANCING; FY 08-09 BUDGET REQUEST

Schedule 13 Change Request for FY 08-09 Budget Request Cycle												
Decision Item FY 08-09 <input checked="" type="checkbox"/>		Base Reduction Item FY 08-09		Supplemental FY 08-09		Budget Request Amendment FY 08-09						
Request Title:	Web Portal Contract Adjustments and Enhancements											
Department:	Health Care Policy and Financing				Dept. Approval by: John Bartholomew <i>JB</i>				Date: November 1, 2007			
Priority Number:	DI - 13				OSPB Approval: <i>SM</i>				Date: 10/23/07 for 11/1/07			
		1	2	3	4	5	6	7	8	9	10	
	Fund	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10	
Total of All Line Items	Total	314,800	312,900	0	312,900	312,900	117,833	430,733	0	430,733	0	
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	GF	78,700	78,225	0	78,225	78,225	29,458	107,683	0	107,683	0	
	GFE	0	0	0	0	0	0	0	0	0	0	
	CF	0	0	0	0	0	0	0	0	0	0	
	CFE	0	0	0	0	0	0	0	0	0	0	
	FF	236,100	234,675	0	234,675	234,675	88,375	323,050	0	323,050	0	
(1) Executive Director's Office, Health Insurance Portability and Accountability Act of 1996 (HIPAA) Web Portal Maintenance	Total	314,800	312,900	0	312,900	312,900	117,833	430,733	0	430,733	0	
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	GF	78,700	78,225	0	78,225	78,225	29,458	107,683	0	107,683	0	
	GFE	0	0	0	0	0	0	0	0	0	0	
	CF	0	0	0	0	0	0	0	0	0	0	
	CFE	0	0	0	0	0	0	0	0	0	0	
	FF	236,100	234,675	0	234,675	234,675	88,375	323,050	0	323,050	0	
Letternote revised text:												
Cash Fund name/number, Federal Fund Grant name:				FF: Title XIX								
IT Request: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>												
Request Affects Other Departments: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>				If Yes, List Other Departments Here:								

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Health Care Policy and Financing
Priority Number:	DI-13
Change Request Title:	Web Portal Contract Adjustments and Enhancements

SELECT ONE (click on box):

- ☒ Decision Item FY 08-09
- ☐ Base Reduction Item FY 08-09
- ☐ Supplemental Request FY 07-08
- ☐ Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- ☒ Not a Supplemental or Budget Request Amendment
- ☐ An emergency
- ☐ A technical error which has a substantial effect on the operation of the program
- ☐ New data resulting in substantial changes in funding needs
- ☐ Unforeseen contingency such as a significant workload change

Short Summary of Request:

This request is for \$117,833 to fund needed capacity increases and maintenance concerns regarding the Department's internet-based secured web portal services.

Background and Appropriation History:

The Department's web portal became operational in 2003 and was initiated as part of the Health Insurance Portability and Accounting Act of 1996 (HIPAA) requirement to implement the federal Transaction and Code Set Rule. The web portal is used to insure privacy and electronic security, as required by HIPAA, for transmission of data to and from the Medicaid Management Information System, the Colorado Benefits Management System, the Business Utilization System (BUS), medical providers, and the Centers for Medicare and Medicaid Services. The largest amount of transmission activity is to the Medicaid Management Information System generated by the Department's contracted medical providers.

Reports, files, and transaction responses are transmitted by Affiliated Computer Services, Inc., the fiscal agent for the Medicaid Management Information System, back to the medical providers. However, the contractor for the web portal, CGI Information Systems

and Management Consultants, Inc. (hereafter referred to as CGI), is independent of the fiscal agent, Affiliated Computer Services, Inc. The Department also uses this portal for medical assistance site workers who require access to other Department systems.

CHANGE MANAGEMENT

CGI provides production support and maintenance for the web environment, including “change management” for the services that are provided. Required change management (or system modification) is addressed through a pool of hours built into the vendor’s contract. These hours, equal to 260 for FY 07-08, are meant as resources for needed interface modifications so that information can be transmitted both to and from the Medicaid Management Information System and fiscal agent to both medical providers and the Department.

The number of hours per change management need vary with the complexity of the project. For the past two fiscal years, however, an average of six change management requests per year have carried over from the prior fiscal year because there have not been enough hours allocated to complete all requests. Only the requests with the highest priority have been completed.

CAPACITY

When the Department’s web portal was initially created, it was anticipated that 5,000 total users would access the web environment, however not all of them would be using the web portal at the same time. As such, the web portal was and is designed to provide capacity for 500 simultaneous users. Access for each of these users is dependent on the amount of system capacity available at the time they log onto the portal. Prior to FY 06-07, user volume had remained under the 500 simultaneous users. However, because the portal was successful and provider acceptance of the system continues to grow, the number of simultaneous users has continued to grow as well.

With more users, there is a corresponding increase in demand for services to allow such things as larger file transfers and more immediate response. When users submit large data files to the web portal, both system memory and processing capacity are significantly diminished. As such, large file transmissions are now scheduled with consideration for times of day when capacity may be available, often outside of normal business hours.

General Description of Request:

This request is for \$117,833 to address shortfalls in the web portal for both change management and increased capacity. If approved, this request would provide for greater simultaneous user volume, system stability, and increased transaction speeds for providers.

CHANGE MANAGEMENT

The Department requests an additional \$35,000 to expand the number of hours available for CGI to keep the web portal functioning smoothly. Although the Department projects that at least 750 additional hours are needed, 350 of those hours have become an extreme necessity. Given recent practice of only addressing the Department's most urgent change management items have required many system changes to be delayed until new maintenance hours are available at the start of the following fiscal year. This practice has caused delays in enhancing the services of sending and receiving data to the Department's fiscal agent and/or delays for provider verification of client eligibility. There are changes that are needed due to rule changes and design solutions that are necessary to support the major systems that have not had funding sufficient to cover the changes.

CAPACITY

During FY 06-07, the number of simultaneous users has consistently exceeded 500, with the highest number of simultaneous users at 622 and the number of overall total users continuing to grow. During FY 07-08, it is anticipated that 1,200 additional users will join the pool. Besides medical providers, web portal users include the county coordinators for the Early and Periodic Screening, Diagnosis, and Treatment Program; medical assistance site; Single Entry Point agencies employees; the Benefit Utilizations System; and Systematic Alien Verification for Entitlements (SAVE) users.

Due to the future expected growth in the number of users and efficiencies that would be gained by adding a block of capacity for more users, the Department anticipates the need for increased capacity to be 200 more simultaneous users for a total of 700 simultaneous users. The number of 700 is based on the high number of 622 users in FY 06-07 plus an additional 10% for some growth (rounded up to 700 since adding users in small quantities is less efficient and more costly in the long term). The total cost to add capacity for a block of 200 more users is \$82,833 and is itemized in the following sections.

Hardware

To increase capacity from 500 to 700, a 40% increase of simultaneous users, the Department must provide for greater access to the web portal. This will require CGI to provide additional capacity to a variety of the existing equipment. This equipment includes: the web server which acts as the gateway to the portal, the application server which supports the File and Report Service, the database server which allows for data storage space to support the providers, and the Biztalk which translates the Medicaid Management Information System transactions and code sets as required by the HIPAA rule for Transactions and Code Sets of 2003.

Without these upgrades, storage space will quickly diminish, especially considering the number of records being transmitted, the length of the files, and the increased number of users contributing to overall volume of information. Ultimately, the storage space would be completely spent. Additionally, without an upgrade to the Biztalk server, the potential system failure could occur as newer coding that has evolved since the original activation of this server in May 2003 is pushing the server to its limits. Lastly, without the web and application server changes, the “bottleneck” of information transmitted to the web portal will not improve, regardless of making these other system upgrades.

All of the above capacity in hardware will have costs projected to equal \$10,833.

Dedicated Transmission Lines

The dedicated secure communication line capacity between CGI and the Department's fiscal agent will have to be increased as well. The capacity is necessary to handle the increased traffic and to support the large amounts of data transmission from the File and Report Service required by the increase volume of simultaneous users. This increased capacity would be the equivalent of an additional T-1 line which is projected to equal \$14,400.

Hardware Maintenance and User Support

CGI will be responsible for the maintenance of the servers, back up and restoration of data histories as needed and providing the operating environment for the equipment. These hosting services are essential to reduce downtime and equipment malfunctions. With all of the increased services being provided, an additional \$45,600 is being requested for this support.

More simultaneous users on the web portal increase help desk call volume. CGI would add additional staffing to its help desk location. The help desk daily call average is 61.5 calls per day. Currently, CGI has 1.5 FTE supporting the Web Portal from 7am-7pm (MST) which adequately supports the call volume; however, when an outage occurs, or an above average amount of users attempt to log-in, the system is strained, reducing customer service efficiencies. An additional 0.5 CGI FTE will improve user support efforts for the increased user community. The ongoing annual cost for this service would be \$12,000.

Consequences if Not Funded:

If additional funding is not received, change management for the web portal could only continue at the current, limited levels, with many projects continuing to be delayed or disregarded. The Department would be unable to meet the demands of the new changes or programs in a timely or efficient fashion manner. In addition, changes required by the Centers for Medicare and Medicaid Services to support Medicaid Management Information System compliance would also not be addressed in an efficient manner.

Additionally, limits will need to be placed on the number of simultaneous users to avoid overloading the capacity. When the alternative is to allow all users to login and degrade the service with unacceptable slowness or to limit the number of simultaneous users and force others to try again later, neither alternative is palatable. This would have a negative impact on users servicing our clients and providers who provide those services and expecting to submit claims timely for payment.

Calculations for Request:

Summary of Request FY 08-09	Total Funds	General Fund	Federal Funds
Health Insurance Portability and Accountability Act of 1996 (HIPAA) Web Portal Maintenance [matches columns 6 in Schedule 13]	\$117,833	\$29,458	\$88,375
<i>Change Management</i>	<i>\$35,000</i>	<i>\$8,750</i>	<i>\$26,250</i>
<i>Increased Capacity – Hardware</i>	<i>\$10,833</i>	<i>\$2,708</i>	<i>\$8,125</i>
<i>Increased Capacity – Bandwidth, Hosting, and Help Desk Support</i>	<i>\$72,000</i>	<i>\$18,000</i>	<i>\$54,000</i>

Web Portal Change Management Costs				
Priority	Change Management Projects Needed	Cost Per Hour	Hours	Total Costs
1	Modify software to improve File and Report Service efficiency. All providers must retrieve reports and transactions from the portal. Current system is older technology and inefficient for volume and size of reports.	\$100	200	\$20,000
2	Enhance data entry of all transactions-modify over 50 field controls. Move to AJAX functionality that will allow real time load of a page. Greatly reduce data entry time. Also will be more browser friendly. Current system does not function well with browsers other than Internet Explorer.	\$100	150	\$15,000
	Totals		350	\$35,000

Estimate of Potential Maintenance Costs for Vendor to Increase Web Portal Capacity		
Item	Monthly Rate	12 Months Costs
Increase Internet Bandwidth & Communication to Fiscal Agent	\$1,200	\$14,400
Increase Hosting Costs for Additional Servers & Warranties	\$3,800	\$45,600
Increased Help Desk Support at CGI	\$1,000	\$12,000
Total Costs		\$72,000

Estimate of Potential Equipment Costs for Vendor to Increase Web Portal Capacity	
Equipment Items	Cost
Web Server	\$4,000
Application Server	\$6,000
Database Server	\$7,000
Upgrade Biztalk Server	\$8,000
Total costs if servers were purchased by Department	\$25,000
Projected increase for leasing versus purchasing hardware	30%
Projected cost for servers if leased over three year period	\$32,500
Projected cost per year leased	\$10,833

Assumptions for Calculations:

The federal funds participation rate is 75% under Title XIX.

The cost per hour for change management is the same rate as is currently contracted with the vendor for performing change management requests and the contractor has confirmed that hourly rate to be \$100. The additional number of hours, 350, needed for change management was estimated based on work forecasts for projects that carried over from prior fiscal years, are still awaiting completion until sufficient funding becomes available, and have become an extreme necessity.

The costs for increased capacity are based upon the projected annual cost to purchase servers outright. Assumed hardware costs are closely aligned with current market rates for the various components, consistent with Dell, Hewlett-Packard or International Business Machines (IBM) brand servers of similar capacity. Estimated server costs are based on an assumption that it would require the equivalent of 4 additional servers to provide sufficient throughput and maintain adequate response times. These costs, projected to equal \$25,000, are then inflated by 30% to get an equivalent amount to lease the equipment over a period of three years. Because the Department intends to reprocur the web portal prior to the end of FY 08-09, the Department believes that leasing equipment for one fiscal year is more beneficial to the State than if it purchased the additional servers.

The costs for T-1 lines depend on the origination location and the termination location. The termination location would be Dallas, Texas. The website for comparison of T-1 costs is www.t1shopper.com that lists the range of pricing from \$550 to \$1,200 per month for Texas locations. CGI has bandwidth capacity available to allow the State to increase its utilization of their Internet access.

Impact on Other Government Agencies: No impacts are known for other State government agencies.

Cost Benefit Analysis: The following analysis quantifies the costs and benefits.

	If Request Is Approved	If Request Is Not Approved
Costs	\$117,833	\$0
Benefits	More change management updates would be promptly implemented within the same fiscal year as requested	Change requests would not be completed in a timely manner and many would not be completed at all
	Additional simultaneous users could be accommodated	Further degradation of service by additional users attempting to access the web portal, or denial of access, and/or more calls to CGI Help Desk for customer service

Upgraded leased servers could alleviate down time by backing up other servers when repair problems occur	Down time during repairs would escalate
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Based on the above analysis, the requested funding increase provides the greater benefit by insuring better functionality of the web portal and operations of the web portal always on a timely basis.

Statutory and Federal Authority:

25.5-4-105, C.R.S. (2007) *Nothing in this article...of this title shall prevent the state department from complying with federal requirements for a program of medical assistance in order for the state of Colorado to qualify for federal funds under Title XIX of the social security act and to maintain a program within the limits of available appropriations.*

§1903 (a) of the Social Security Act [42 U.S.C. 1396b] *From the sums appropriated therefore, the Secretary ...shall pay to each State which has plan approved under this title, ...(3) an amount equal to—*
(B) 75 per centum of so much of the sums expended during such quarter as are attributable to the operation system (whether such system are operated directly by the State or by another person under a contract with the State...

Performance Measures:

The web portal is the access to the Medicaid Management Information System. Without the web portal, the Department would require significantly greater resources and time to ensure that providers receive accurate payment for services rendered to Medicaid and Children's Basic Health Plan clients. As such, any Performance Measure that includes expansion of Medicaid or Children's Basic Health Plan clients would only increase this need for additional resources and would delay the payment process even further due to the additional volume. Given the above, the Department would have difficulty in expanding coverage to these programs; therefore, this Change Request supports the following Performance Measures:

- Increase the number of clients served through targeted, integrated care management programs. This is a new Department initiative.

- Increase the number of children served through a dedicated medical home service delivery model. This is a new Department initiative.
- Increase statewide access to employer sponsored insurance through the Child Health Plan Plus at Work Program and increase enrollment in the program.